

1 DONALD W. FITZGERALD, State Bar No. 095348
2 THOMAS A WILLOUGHBY, State Bar No. 137597
3 JENNIFER E. NIEMANN, State Bar No. 142151
4 FELDERSTEIN FITZGERALD
5 WILLOUGHBY & PASCUZZI LLP
6 400 Capitol Mall, Suite 1450
7 Sacramento, CA 95814
8 Telephone: (916) 329-7400
9 Facsimile: (916) 329-7435
10 dfitzgerald@ffwplaw.com
11 twilloughby@ffwplaw.com
12 jniemann@ffwplaw.com

13 Proposed Attorneys for Zacky Farms, LLC

14 UNITED STATES BANKRUPTCY COURT

15 EASTERN DISTRICT OF CALIFORNIA

16 SACRAMENTO DIVISION

17 In re:

18 ZACKY FARMS, LLC, a
19 California limited liability
20 company,

21 Debtor-In-Possession.

22 CASE NO. 12-37961-B-11

23 DCN: FWP-5

24 Date: October 11, 2012

25 Time: 1:30 p.m.

Courtroom: 32

501 I Street, 6th Floor

Sacramento, CA

17 **ORDER AUTHORIZING DEBTOR TO HONOR PREPETITION
18 OBLIGATIONS TO GROWERS**

19 The emergency motion of Zacky Farms, LLC, Debtor and Debtor in Possession (the
20 “Debtor”) seeking entry of an order authorizing the Debtor to honor prepetition obligations to
21 growers (the “Motion”), came on for hearing on October 11, 2012, at 1:30 p.m., in Courtroom
22 32 of the United States Bankruptcy Court for the Eastern District of California. The Debtor
23 appeared through its counsel, Thomas A. Willoughby. Other appearances were noted on the
24 record. All capitalized terms used but not defined herein shall have the meanings given to them
25 in the Motion.

26 The Court has considered the Motion, the Declaration of Keith F. Cooper in Support of
27 First Day Motions and Applications, and the matters reflected in the record of the hearing held
28 on the Motion on October 11, 2012. The Court having found that it has jurisdiction over this

RECEIVED

October 11, 2012

CLERK, U.S. BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

0004481983

1 proceeding; that this is a core proceeding; that notice of the Motion has been given to the Office
2 of the United States Trustee, the twenty largest unsecured creditors, all secured creditors, the
3 owners of the Debtor and any applicable governmental entities; that no further notice is
4 necessary; that the relief sought in the Motion is in the best interests of the Debtor, its estate, and
5 its creditors; and that good and sufficient cause exists for such relief.

6 Accordingly, it is hereby ORDERED as follows:

7 1. The Motion (docket no.22) is GRANTED, on an interim basis to the extent set
8 forth herein, pending the conclusion of a final hearing on the Motion.

9 2. The Debtor is authorized, but not directed, to pay and honor all obligations that
10 have accrued by virtue of the services rendered by the Growers pursuant to the Grower
11 Arrangements (“Growout Obligations”) prior to the Petition Date on an interim basis through the
12 final hearing on the Motion.

13 3. The Debtor’s banks are authorized and directed to honor any check or draft
14 representing a Growout Obligation that may be presented for payment and to make other transfers
15 necessary to implement these transactions, provided that sufficient funds are available in the
16 applicable accounts to make the payments and transfers. The Debtor is further authorized to pay
17 any cost or penalty incurred by any Grower in the event that a check issued by the Debtor for
18 payment of any Growout Obligation is inadvertently not honored because of the filing of the
19 Debtor’s bankruptcy case.

20 4. The banks and other financial institutions that process, honor, and pay any and all
21 checks on account of Growout Obligations shall rely on the representations of the Debtor as to
22 which checks are issued and authorized to be paid in accordance with this Order without any duty
23 of further inquiry and without liability for following Debtor’s instructions.

24 5. Neither this Order, nor the Debtor’s payment of any amounts authorized by this
25 Order, shall: (i) result in any assumption of any executory contract by the Debtor; (ii) result in a
26 commitment to continue any plan, program, or policy of the Debtor; or (iii) impose any
27 administrative, pre-petition, or post-petition liabilities upon the Debtor.

28 ///

1 6. The Court shall retain jurisdiction to hear and determine all matters arising from
2 the implementation of this Order.

3 7. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed
4 to apply to the subject matter of this Order, such stay is hereby waived.

5 8. Counsel to the Debtor is directed to serve a copy of this Order on all parties on the
6 Limited Service List as defined in the Debtor's Emergency Motion For Order Establishing Notice
7 and Administrative Procedures on file herein within three (3) days of the entry of this Order and
8 to file a certificate of service with the Clerk of the Court.

9 9. A final hearing on the Motion shall be held on October 24, 2012, at 1:30 p.m.

10
11
12
13 Dated: October 11, 2012

14
15 
16 Thomas C. Holman
17 United States Bankruptcy Judge

18
19
20
21
22
23
24
25
26
27
28